



0000088193

BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

Arizona Corporation Commission

DOCKETED

SEP - 3 2008

DOCKETED BY

mm

IN THE MATTER OF THE APPLICATION
OF SBC LONG DISTANCE, LLC FOR
APPROVAL TO DISCONTINUE THE
PROVISION OF LOCAL EXCHANGE
TELECOMMUNICATIONS SERVICES
AND PRIVATE LINE SERVICES FOR
BUSINESS CUSTOMERS IN ARIZONA

DOCKET NO. T-03346A-08-0038

DECISION NO. 70479

ORDER

Open Meeting
August 26 and 27, 2008
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. SBC Long Distance, LLC d/b/a AT&T Long Distance and SBC Long Distance ("SBC LD") is certificated to provide telecommunications service as a public service corporation in the State of Arizona.

2. On January 18, 2008, SBC LD filed an application to discontinue the provision of local exchange telecommunications services and private line services for business customers within the State of Arizona.

3. On November 23, 1998, the Arizona Corporation Commission ("Commission"), in Decision No. 61227, granted SBC LD a Certificate of Convenience and Necessity ("CC&N") to provide resold long distance telecommunications services in the State of Arizona. The Commission granted SBC LD, in Decision No. 66891, a CC&N to provide facilities-based and resold local exchange telecommunications in the State of Arizona on April 6, 2004. SBC LD is

1 also certified to provide facilities-based long distance services, having received a CC&N from the
2 Commission on May 5, 2005, in Decision No. 67809.

3 4. In its application, SBC states that the 67 customers affected by the proposed
4 discontinuance were originally customers of SBC Telecom, Inc. The Commission granted SBC
5 Telecom, Inc. a CC&N to provide facilities-based and resold local exchange and long distance
6 telecommunications services in Decision No. 62645 on June 13, 2000. In Decision No. 67827,
7 SBC Telecom, Inc. and SBC Long Distance re-organized on May 5, 2005 with SBC LD being the
8 surviving entity.

9 5. In its Responses to Staff's First Set of Data Requests, SBC LD stated that as of
10 January 31, 2008, it served 61 business customers. The Company confirmed that as of July 31,
11 2008, it is currently serving only 16 business customers. SBC LD stated in its application that it
12 provides local exchange services to its remaining business customers in Arizona through the resale
13 and by using UNE loops acquired from Qwest, as well as facilities owned by SBC LD. The
14 Company states that because it serves so customers, that it is no longer economically feasible for
15 the Company to incur the related costs for so few customers.

16 6. Also, in response to Staff's First Set of Data Requests, SBC LD confirmed that the
17 Company currently does have service contracts with customers. However, these contracts allow
18 SBC LD to cancel the contract providing a minimum notice of 90-days.

19 7. SBC LD's application states that all of its business customers were notified of SBC
20 LD's intentions to discontinue service by letter dated December 4, 2007. A copy of the letter was
21 attached in SBC LD's application to discontinue service. Because the letter was sent on December
22 4, 2007, SBC LD satisfied the ninety (90) day notice requirement of the contracts, on March 3,
23 2008. On February 11, 2008, SBC LD filed a copy of the Affidavit of Publication of its
24 application to discontinue service pursuant to Arizona Administrative Code R14-2-1107.

25 8. In its application, SBC LD stated that it is not holding any deposits from any of its
26 business customers. Therefore, there is no risk that any deposits would be lost by the
27 discontinuance of service by SBC. SBC LD does have valid performance bond, in the amount of
28 \$235,000, on file with the Commission. The original performance bond amount was \$125,000.

1 On May 5, 2005, the Commission Ordered that the performance bond be increased to \$235,000 in
2 Decision No. 67809.

3 9. SBC LD stated in its responses to Staff's First Set of Data Requests that the
4 Company has one technical position as well as one managerial position supporting the remaining
5 SBC LD network in Arizona. According to SBC LD, almost all of SBC LD's employees have
6 been integrated into the AT&T workforce and there will be no layoffs as a result of the
7 discontinuance of local exchange service in Arizona. On June 17, 2008, SBC LD filed tariff
8 revisions removing the local exchange and private line services from its Local Exchange Services
9 Tariff.

10 10. SBC LD states that the Company plans to continue to use its local exchange
11 authority to provide tariffed packet data services, specifically intrastate ATM and Frame Relay
12 Services, and will also continue to offer intrastate and interstate long distance services in Arizona.
13 The business local exchange customers affected by this application will be able to obtain service
14 from other carriers that offer the same or similar services that they obtain from SBC LD.

15 11. On June 17, 2008, SBC LD amended its application to include proposed tariff
16 revisions which would remove business local exchange and private line services from its Local
17 Exchange Services Tariff.

18 12. Consumer Services Staff has indicated that since January 1, 2005, there have been
19 no open complaints, inquiries, or opinions filed for SBC LD. The Corporations Division reports
20 that as of February 12, 2008, SBC LD is in good standing. According to the Compliance and
21 Enforcement Section Division of the Commission, currently there are no delinquencies for SBC
22 LD.

23 13. Staff has recommended approval of SBC LD's application, as amended, to
24 discontinue local exchange and private line services for business customers in Arizona.

25 ...

26 ...

27 ...

28 ...

CONCLUSIONS OF LAW

1
2 1. SBC LD is an Arizona public service corporation within the meaning of Article
3 XV, Section 2, of the Arizona Constitution.

4 2. The Commission has jurisdiction over SBC LD and over the subject matter of the
5 Application.

6 3. The Commission, having reviewed the application, as amended, and Staff's
7 Memorandum dated August 12, 2008 concludes that it is in the public interest to approve this
8 application.

9 ...

10 ...

11 ...

12 ...

13 ...

14 ...

15 ...

16 ...

17 ...

18 ...

19 ...

20 ...

21 ...

22 ...

23 ...

24 ...

25 ...

26 ...


27 ...

28 ...

ORDER

IT IS THEREFORE ORDERED that the application, as amended, be and hereby is approved.


IT IS FURTHER ORDERED that this decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

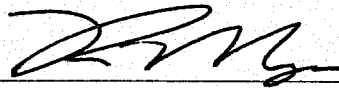
CHAIRMAN



COMMISSIONER



COMMISSIONER



COMMISSIONER



COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 3rd day of September, 2008.



BRIAN C. McNEIL
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

EGJ:CLA:lhmm\MAS

SERVICE LIST FOR: SBC Long Distance, LLC
DOCKET NO. T-03346A-08-0038

Mr. Michael M. Grant
Gallagher & Kennedy, P.A.
2575 East Camelback Road
Phoenix, Arizona 85016-9225

Ms. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Janice M. Alward
Chief Counsel, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007